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ABSTRACT OF DISCLOSURE

Financial instruments (i.e., products) designed as trading vehicles to protect the value of residential homes [are described]. [A] An associated method for creation and trading [generation of publicly traded] of notes backed by ownership of single family homes to allow financial markets to provide trading [instruments] products for investors and home owners to profit from price changes in the value of single family homes is described. A fraction of the title to the land and dwelling of many single family homes are bundled, separately from that of the traditional mortgages, creating the equivalent of mortgage-backed-securities such as Ginnie Maes, which are marketed to public investors. These securities [, herein referred to as home asset value enhancement notes] (HAVENs) [.] can be used by [individual] homeowners to protect [as a hedge against any declines in] value of [their] individual homes and [. They] can be purchased [by the general] publicly as a direct investment in [the aggregate value of] residential real estate. [HAVENs are intended to serve purposes similar to those of commodity contracts available to producers and consumers of commodities other than houses, such as precious metals, agricultural products or livestock.] HAVENs differ from traditional insurance, in that no up-front payment is necessary to secure protection; instead a portion of ownership is pledged. [In addition, this greatly broadens the public participation and thus spreads the risk. Traditional insurance resources based on homeowner premiums could be overwhelmed in a depression environment, increasing the risk that the homeowner would not be covered for his losses on sale of the property.]